

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 AGRE-00 OES-07
DOE-12 SOE-01 /108 W
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R 221845Z DEC 77

FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC 5902
INFO AMEMBASSY BRASILIA
AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY KINGSTON
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN

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E.O. 11652: N/A

TAGS: GY, PINT

SUBJECT: BURNHAM SIGNALS SHIFT IN DEVELOPMENT EMPHASIS

SUMMARY: IN A MAJOR SPEECH DEC 18 MARKING THE 13TH ANNIVERSARY OF THE PEOPLE'S NATIONAL CONGRESS' (PNC) GOVERNMENT'S TENURE, PRIME MINISTER FORBES BURNHAM PUBLICLY ENDORSED WHAT AMOUNTS TO A POLICY SHIFT IN GUYANA'S DEVELOPMENT STRATEGY. INSTEAD OF THE PREVIOUS EMPHASIS ON INFRA-STRUCTURE PROJECTS WHICH WOULD PAY OFF ONLY IN THE LONG TERM, BURNHAM TOLD THE NATION THAT IN THE IMMEDIATE FUTURE EMPHASIS WOULD BE PLACED ON DIVERSIFICATION OF AGRICULTURE AND EXPLOITATION OF GUYANA'S NATURAL RESOURCES. HE REITERATED THAT INCREASED PRODUCTION AND GREATER PRODUCTIVITY BY EACH WORKER WOULD BE NECESSARY TO PULL GUYANA OUT OF ITS ECONOMIC CRISIS. THE NECESSITY OF "REDEPLOYMENT" OF
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WORKERS FROM "PEN PUSHING" TO "PRODUCTIVE" WORK WAS AGAIN UNDERLINED, WITH UNNAMED "PEN PUSHERS" THE TARGET OF CAUSTIC SARCASM. HIS SPEECH WAS REplete WITH STATISTICS SHOWING INCREASE IN GUYANA'S AGRICULTURAL PRODUCTION, PARTICULARLY RICE AND PORK. ITS TONE WAS SOMBER AND CANDID. BURNHAM MADE NO EFFORT TO HIDE THE FACT THAT GUYANA IS GRIPPED BY AN ECONOMIC CRISIS AND

THAT 1978 MIGHT BE JUST AS DIFFICULT AS 1977, THOUGHT HE COMMENTED THAT HE DID NOT SEE WHY 1978 COULD NOT BE BETTER IF ALL GUYANESE PRODUCED MORE AT THEIR JOBS. THE POLICY SHIFTS OUTLINED IN THE SPEECH COULD PROVIDE A REALISTIC BASE FOR GUYANA'S CONTINUED DEVELOPMENT, PROVIDED THAT THE SHORT-TERM ECONOMIC CRISIS INVOLVING AN ABSENCE OF FOREIGN EXCHANGE IS OVERCOME. END SUMMARY.

1. BLACK BUSH POLDER, ONCE KNOWN AS A LAND OF SWAMPS AND REPTILES, WHICH WAS DRAINED AND DEVELOPED INTO A FERTILE AGRICULTURAL AREA, WAS THE VENUE FOR BURNHAM'S SPEECH DECEMBER 18 MARKING THE 13TH ANNIVERSARY OF HIS PARTY'S CONTROL OF THE GOVERNMENT. THE 31,000 ACRE AREA --BIGGER THAN SOME ENTIRE WEST INDIAN ISLANDS--HAS BECOME THE "RICE BOWL" OF GUYANA AND ALSO PRODUCES BLACK EYE PEAS, CABBAGES, PLANTAINS, MELONS AND OTHER CROPS. BURNHAM USED THE OCCASION TO HONOR SOME OF THE PIONEER EAST INDIAN FARMERS OF THE REGION AND MADE A MAJOR POLICY STATEMENT WHICH WAS BROADCAST LIVE TO THE NATION. REPORTEDLY A REGIONAL SITE WAS CHOSEN FOR THE SPEECH TO UNDERSCORE THE PNC'S POLICY OF DECENTRALIZING PARTY ACTIVITIES.

2 BURNHAM'S MAJOR POINTS CONCERNING THE ECONOMY AND ECONOMIC POLICY FOLLOW:
--THE ECONOMY WAS IN GREAT DIFFICULTY AND 1978 MIGHT BE LIMITED OFFICIAL USE

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JUST AS BAD AS 1977. THE SITUATION COULD BE IMPROVED IF EVERYONE PRODUCED MORE.
--DEVELOPMENT AND DIVERSIFICATION OF AGRICULTURE WOULD NOW BECOME A TOP PRIORITY.
--THE GUYANA SUGAR CORPORATION (GUYSUCO) WOULD BE TASKED WITH SPEARHEADING EFFORTS TO DIVERSIFY AGRICULTURAL PRODUCTION. COTTON, SORGHUM AND OTHER CROPS WOULD BE PLANTED ON UNUSED SUGAR LAND.
--GUYSUCO WOULD ABSORB THE GUYANA AGRICULTURAL PRODUCTS CORPORATION (GAPC); -,\$ 20ULD DEVELOP MARKETS FOR PRODUCTS. GUYSUCO'S EMPLOYMENT ROLLS WOULD INCREASE, HE SAID, FROM 21,000 TO 30,000 EMPLOYEES.
--AGRO-INDUSTRY WOULD BE DEVELOPED, INCLUDING PLANTS FOR PROCESSING MOLASSES TO ALCOLENE AND TO TRANSFORM SUGARCANE BYPRODUCTS INTO PARTICLE BOARDS AND PAPER.
--THE "REDEPLOYMENT" AND "PRODUCTIVITY" THEMES OF EARLIER SPEECHES WERE REITERATED WITH GREATER SPECIFICITY, ALTHOUGH HE PROMISED THAT WORKERS MOVED FROM MARGINALLY PRODUCTIVE OR "PAPER PUSHING" JOBS WOULD BE GIVEN THE OPPORTUNITY TO HAVE NEW JOBS IN "PRODUCTIVE" AREAS, PROVIDED THAT THEY WOULD ACCEPT THE NEW WORK.
--THE BLACK BUSH POLDER AREA WOULD BE EXPANDED FROM

31,000 TO 78,000 ACRES. IN ADDITION THE GOG WOULD PUSH
ENERGETICALLY AHEAD WITH THE TAPAKUMA (44,000 ACRES)
AND THE GIANT MAHAICA-MAHAICONY-ABARRY (115,000 ACRES
INITIALLY AND EVENTUALLY 423,000 ACRES) DRAINAGE AND
IRRIGATION PROJECTS WHICH THE WORLD BANK AND IADB ARE
FINANCING. BOTH OF THESE AREAS ARE LOCATED NEAR THE
COAST.

--TIMBER AND WOOD PRODUCTS WOULD BE EXPLOITED MUCH MORE
INTENSELY THAN AT PRESENT (WITH CANADIAN AND EEC ASSIST-
ANCE). (THE MINISTER OF ENERGY AND NATURAL RESOURCES
HAS INDICATED THAT PRIVATE INVESTMENT--FOREIGN AS WELL
AS DOMESTIC--WOULD HAVE OPPORTUNITIES FOR PARTICIPATION
IN THIS SECTOR.)

--GUYANA'S 200 MILE FISHERIES ZONE WAS CITED AS PROVIDING
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INCREASED INCOME AND ADDED POTENTIAL FOR DEVELOPMENT.

--RUMORS THAT THE GUYANA NATIONAL SERVICE (GNS) OR THE
PEOPLES' MILITIA WOULD BE DISBANDED WERE DENIED. HE
EMPHASIZED THAT THE PRIMARY ROLE OF THE GNS WAS IN
EDUCATING AND PREPARING THE NATION'S YOUTH FOR CAREERS
IN AGRICULTURAL AND OTHER PRODUCTIVE WORK.

--HE REJECTED RUMORS THAT GUYANESE WERE STARVING AND
CITED STATISTICS TO SHOW INCREASED PRODUCTION OF FOOD.

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3. ON THE POLITICAL FRONT BURNHAM:

--AVOIDED SOCIALIST RHETORIC.

--SAID THERE WOULD BE "MASSIVE AND SIGNIFICANT" STEPS TO ADVANCE THE PROCESS OF WORKER PARTICIPATION IN STATE INDUSTRIES, AS THE PNC REMAINS COMMITTED TO EVENTUAL WORKER CONTROL OF INDUSTRY.

--SAI

THE OPPOSITION'S IDEA OF UNITY--A DISTRIBUTION OF MINISTRIES BETWEEN THE TWO MAJOR PARTIES--WAS REJECTED BY THE PNC BECAUSE THE LATTER SOUGHT THE TYPE OF UNITY SYMBOLIZED BY THE MULTI-RACIAL CROWD HE WAS ADDRESSING.

--REMINDS HIS LISTENERS THAT WHEN THE PNC REPLACED THE PEOPLES' PROGRESSIVE PARTY (VPPP) AT THE HELM OF THE GOG LIMITED OFFICIAL USE

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IN 1964, THE OPPOSITION'S LEADERS TALKED ABOUT GUYANA DISINTEGRATING, BUT INSTEAD THE PAST 13 YEARS HAD BEEN A PERIOD OF GREAT GROWTH, AND EVEN GREATER PROGRESS COULD BE ACHIEVED WITH INTENSE APPLICATION OF EFFORT BY ALL GUYANESE.

--REFERRED VAGUELY TO NEXT YEAR'S ELECTIONS, DECLINED TO GIVE A DATE FOR THEM, AND SAID THE PNC DOES "NOT RUN A MERE ELECTION MACHINE, WE ARE MORE INTERESTED IN BUILDING THE NATION."

--SAID HE INTENDED TO REMAIN AS PRIME MINISTER FOR A LONG TIME.

4. COMMENT: THE EXHORTATIONS FOR GREATER PRODUCTIVITY AND THE ASSERTIONS THAT WORKERS IN NON-PRODUCTIVE AREAS WOULD BE "REDEPLOYED" HAVE BECOME FAMILIAR REFRAINS IN RECENT BURNHAM SPEECHES, BUT THIS TIME THE STATEMENTS ABOUT REDEPLOYMENT CONVEYED THE IDEA THAT SUCH ACTION WAS NOW IMMINENT. THE NEW ELEMENT SIGNALING A SHIFT IN DEVELOPMENT EMPHASIS WAS THE DECLARATION THAT TOP PRIORITY NOW WOULD GO TO DEVELOPMENT OF ALREADY POPULATED COASTAL AREAS--TAPAKUMA, BLACK BUSH POLDER, MAHAICA-MAHAICONY-ABARY--AND AGRO-INDUSTRY. HITHERTO TOP PRIORITY HAD GONE TO EXPENSIVE INFRASTRUCTURE

WORK IN THE INTERIOR SUCH AS THE BUILDING OF THE ROAD THROUGH MOUNTAINS AND JUNGLE TO THE SITE OF THE PLANNED UPPER MAZARUNI HYDROELECTRIC PROJECT, AND TO THE DEVELOPMENT OF GNS FARMS IN THE INTERIOR. THUS, RATHER THAN POURING RESOURCES INTO THE ESTABLISHMENT OF NEW SETTLEMENTS AND ROADS TO THE HINTERLANDS, IT NOW APPEARS THAT THE GOG WILL PLACE PRIMARY EMPHASIS ON EXPANDING EXISTING PRODUCTION SYSTEMS.

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5. BURNHAM'S DECISION FOR THE SHIFT IN DEVELOPMENT EMPHASIS IS AN ACCEPTANCE OF THE REALITY THAT INTERNATIONAL FINANCING WILL NOT IMMEDIATELY BE FORTHCOMING FOR THE HYDROELECTRIC PROJECT AND, THEREFORE, THE GOG ALSO CANNOT CONTINUE TO SINK ITS SCARCE RESOURCES INTO THE PROJECT. THIS DOES NOT MEAN THAT THE UPPER MAZARUNI PROJECT IS PERMANENTLY ABANDONED BUT RATHER IT HAS BEEN POSTPONED. BURNHAM'S DREAM OF USING HYDROELECTRIC POWER WITHIN FIVE YEARS TO HALT AND THEN REDUCE SPIRALING COSTS FOR PETROLEUM HAS BEEN SHATTERED. INSTEAD, HE HAS BEEN FORCED TO ADOPT A DEVELOPMENT STRATEGY WHICH WILL PRODUCE SMALLER BENEFITS IN A SHORTER TIME-FRAME.

6. BY ALMOST ENTIRELY ESCHEWING REFERENCE TO DISRUPTIVE OUTSIDE FORCES, STRONGLY EMPHASIZING SELF-RELIANCE, AND REPEATING EARLIER CALLS FOR GREATER PRODUCTION AND PRODUCTIVITY, BURNHAM WAS TELLING HIS PEOPLE THAT ANY IMPROVEMENT IN THE ECONOMY AND THEIR LIVING CONDITIONS MUST COME FROM THEIR INDIVIDUAL AND COLLECTIVE EFFORTS. THE TONE OF THE SPEECH WAS MATTER OF FACT AND HIS USUAL POLITICAL RHETORIC WAS HELD TO A BARE MINIMUM.

7. THE NEW DEVELOPMENT STRATEGY--HOWEVER NECESSARY IT MAY BE--CARRIES POLITICAL RISKS BECAUSE IN EFFECT BURNHAM HAS ADMITTED THAT HIS PREVIOUS STRATEGY FAILED. THE OPPOSITION PRESS AND THE INTERNATIONAL MEDIA INTERPRETATION--IF THE LATTER TAKES NOTE OF THE SHIFT--WILL UNDOUBTEDLY BE THAT BURNHAM HAS SHIFTED TO THE RIGHT. HE WILL FACE BLISTERING CRITICISM FROM THE DOMESTIC LEFT. MOREOVER, EVEN IF THE ECONOMIC CRISIS WERE TO BOTTOM OUT IN THE NEXT FEW MONTHS, THE FULL EXTENT OF THE ECONOMIC DETERIORATION ON GUYANA'S SOCIAL AND POLITICAL CLIMATE APPEARS TO BE STILL AHEAD.

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Message Attributes

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